

Senate File 423

S-3075

1 Amend Senate File 423 as follows:

2 1. Page 46, after line 27 by inserting:

3 <DIVISION
4 CHARTER OR INNOVATION ZONE SCHOOL CHANGES

5 Sec. _____. Section 256F.1, subsections 1 and 2, Code
6 2013, are amended by striking the subsections.

7 Sec. _____. Section 256F.1, subsection 4, Code 2013,
8 is amended by striking the subsection and inserting in
9 lieu thereof the following:

10 4. This section shall not be construed to provide
11 a means to keep open a school that the board of
12 directors of a school district closes. However, a
13 school board may endorse or authorize the establishing
14 of a charter or innovation zone school to replace the
15 school the board closes. Applicants seeking a charter
16 or innovation zone school under this circumstance
17 shall demonstrate to an authorizer that the charter
18 or innovation zone school sought is substantially
19 different in purpose and program from the school
20 the board closes and that the proposed charter or
21 innovation zone school satisfies the requirements of
22 this section. The authorizer shall not approve an
23 application submitted under section 256F.5 if the
24 application does not comply with this subsection.

25 Sec. _____. Section 256F.2, subsection 1, Code 2013,
26 is amended by striking the subsection and inserting in
27 lieu thereof the following:

28 1. "*Applicant*" means an entity eligible to submit
29 to the state board an application to establish a
30 charter or innovation zone school in accordance
31 with this chapter. "*Applicant*" includes any of the
32 following:

33 a. The board of directors of a school district.

34 b. A consortium consisting of the boards of
35 directors of two or more school districts.

36 c. An area education agency board.

37 d. A consortium consisting of the boards of
38 directors of an area education agency and one or more
39 school districts, at least one of which is located
40 within the boundaries of the area education agency.

41 e. The board of directors of a community college.

42 f. A consortium consisting of the boards of
43 directors of a community college and one or more school
44 districts, at least one of which is located within the
45 boundaries of the community college.

46 g. An institution of higher education governed by
47 the state board of regents.

48 h. A consortium consisting of an institution of
49 higher education governed by the state board of regents
50 and the board of directors of one or more school

1 districts.

2 *i.* A consortium consisting of one or more
3 accredited private institutions as defined in section
4 261.9, all of which shall be exempt from taxation under
5 section 501(c)(3) of the Internal Revenue Code, and the
6 board of directors of one or more school districts.

7 *j.* A consortium consisting of the governing body
8 of a city or county with a population over ninety-five
9 thousand and the board of directors of one or more
10 school districts located, at least in part, within the
11 boundaries of the city or county.

12 *k.* A nonsectarian, nonreligious charitable
13 organization that is exempt from taxation under section
14 501(c)(3) of the Internal Revenue Code.

15 Sec. _____. Section 256F.2, Code 2013, is amended by
16 adding the following new subsections:

17 NEW SUBSECTION. 3A. "*Authorizer*" means the state
18 board, the state board of regents, or a board of
19 directors of a community college established pursuant
20 to chapter 260C.

21 NEW SUBSECTION. 7A. "*Operator*" means an applicant
22 approved by an authorizer to charter a school under
23 this chapter.

24 Sec. _____. Section 256F.3, subsection 2, paragraph
25 b, Code 2013, is amended to read as follows:

26 *b.* To receive approval to establish an innovation
27 zone school in accordance with this chapter, an
28 innovation zone consortium shall submit to an
29 authorizer an application to the state board which that
30 demonstrates the support of at least fifty percent of
31 the teachers employed at each proposed innovation zone
32 school on the date of the submission of the application
33 and fifty percent of the parents or guardians voting
34 whose children are enrolled at each proposed innovation
35 zone school, provided that a majority of the parents or
36 guardians eligible to vote participate in the ballot
37 process, according to procedures established by rules
38 of the state board authorizer.

39 Sec. _____. Section 256F.3, subsections 6 through 8,
40 Code 2013, are amended to read as follows:

41 6. Upon approval of an application for the proposed
42 establishment of a charter or innovation zone school,
43 the school board shall submit an application for
44 approval to establish the charter or innovation zone
45 school to the state board an authorizer in accordance
46 with section 256F.5. The state board may reevaluate an
47 application approved by the state board of regents or
48 by a local community college board pursuant to section
49 256F.3A, subsection 1.

50 7. An application submitted to ~~the state board~~

1 pursuant to subsection 2, paragraph "b", or subsection
2 6 shall set forth the manner in which the charter
3 ~~school~~ or innovation zone school will provide special
4 instruction, in accordance with section 280.4, to
5 students who are limited English proficient. The
6 application shall set forth the manner in which the
7 charter ~~school~~ or innovation zone school will comply
8 with federal and state laws and regulations relating to
9 the federal National School Lunch Act and the federal
10 Child Nutrition Act of 1966, 42 U.S.C. § 1751-1785, and
11 chapter 283A. The ~~state board~~ authorizer shall approve
12 only those applications that meet the requirements
13 specified in section 256F.1, subsection 3, and sections
14 256F.4 and 256F.5. The ~~state board~~ authorizer may deny
15 an application if the ~~state board~~ authorizer deems that
16 approval of the application is not in the best interest
17 of the affected students.

18 8. ~~The state board shall approve not~~ Not more than
19 ten innovation zone consortium applications shall be
20 approved under this chapter.

21 Sec. _____. NEW SECTION. 256F.3A Duties of the
22 department.

23 The department shall do the following:

24 1. Develop and implement an orientation program for
25 operators. An operator shall successfully complete
26 the orientation program prior to chartering a school
27 pursuant to this chapter. The program shall include
28 but not be limited to accountability requirements,
29 reporting requirements, and financial management.
30 If the operator does not successfully complete the
31 orientation program in the time specified by the
32 department, the state board shall reevaluate the
33 operator's application and may deny the application.
34 If the state board denies an application under this
35 subsection, the decision of the state board is final
36 agency action under chapter 17A.

37 2. Develop and implement or approve orientation
38 programs for members of the boards of directors of
39 charter or innovation zone schools, including but not
40 limited to orientation on the charter or innovation
41 zone school board's role and responsibilities,
42 employment policies and practices, and financial
43 management.

44 3. Monitor and evaluate the fiscal, operational,
45 and student performance of the charter or innovation
46 zone school annually and provide a written annual
47 performance evaluation to the charter or innovation
48 zone school board and the authorizer.

49 4. Provide, every fifth year in which a charter
50 or innovation school is in operation and before the

1 authorizer considers renewing a charter or innovation
2 zone school's contract, a formal written review of the
3 annual evaluations conducted pursuant to subsection 3.

4 Sec. _____. Section 256F.4, subsections 5 and 7, Code
5 2013, are amended by striking the subsections.

6 Sec. _____. Section 256F.4, subsections 2, 6, and 8,
7 Code 2013, are amended to read as follows:

8 2. Although a charter ~~school~~ or innovation zone
9 school may elect to comply with one or more provisions
10 of statute or administrative rule, a charter ~~school~~
11 or innovation zone school is exempt from all statutes
12 and administrative rules applicable to a school, a
13 school board, or a school district, except that the
14 charter ~~school~~ or innovation zone school shall meet the
15 requirements of this chapter and shall do all of the
16 following:

17 a. Meet all applicable federal, state, and local
18 health and safety requirements and laws prohibiting
19 discrimination on the basis of race, creed, color,
20 sex, sexual orientation, gender identity, national
21 origin, religion, ancestry, or disability. A charter
22 ~~school~~ or innovation zone school shall be subject to
23 any court-ordered desegregation plan in effect for
24 the school district at the time the charter ~~school~~ or
25 innovation zone school application is approved.

26 b. Operate as a nonsectarian, nonreligious public
27 school.

28 c. Be free of tuition and application fees to
29 Iowa resident students between the ages of five and
30 twenty-one years.

31 d. Be subject to and comply with chapters 216 and
32 216A relating to civil and human rights.

33 e. Provide Make special education programs and
34 services available to students requiring special
35 education in accordance with chapter 256B.

36 f. Be subject to the same financial audits,
37 audit procedures, and audit requirements as a school
38 district. The audit shall be consistent with the
39 requirements of sections 11.6, 11.14, 11.19, 256.9,
40 subsection 20, section 256F.8, and section 279.29,
41 except to the extent deviations are necessary because
42 of the program at the school. The department, the
43 auditor of state, or the legislative services agency
44 may conduct financial, program, or compliance audits.

45 g. Be subject eligible to and comply with
46 participate in the student achievement and teacher
47 quality program under chapter 284 relating to the
48 student achievement and teacher quality program. A
49 charter ~~school~~ or innovation zone school that ~~complies~~
50 ~~with chapter 284~~ shall receive state moneys or be

1 eligible to receive state moneys calculated as provided
2 in section 257.10, subsections 9 and 10, and section
3 257.37A ~~as if it did not operate under a charter school~~
4 ~~or innovation zone school contract.~~

5 h. Be Notwithstanding section 256F.13, be subject
6 to and comply with chapters chapter 20 and 279 relating
7 to contracts with and discharge of teachers and
8 administrators at the discretion of the charter or
9 innovation zone school operator.

10 i. Be subject to and comply with the provisions
11 of chapter 285 relating to the transportation of
12 students, except that the provisions of section 285.1,
13 subsections 14, 15, 16, and 17, shall not apply.

14 ~~j. Meetings and records of the advisory council are~~
15 ~~subject to the provisions of chapters 21 and 22.~~

16 j. Comply with sections 279.9, 280.17A, 280.17B,
17 280.21B, 280.24, and 280.28, and may suspend or expel a
18 student only as provided in section 282.4. A decision
19 made as provided in section 282.4 is subject to appeal
20 under section 290.1.

21 k. Comply with all statutes and administrative
22 rules relating to student records, including but not
23 limited to section 22.7, subsection 1, and sections
24 256H.1, 280.19A, 280.25, and 280.29, and shall submit
25 data to the department for purposes of the department's
26 comprehensive management information system.

27 l. Comply with the requirements of chapter 283A.

28 m. Comply with any statewide accountability
29 requirements in statute or administrative rule
30 governing high school graduation requirements, the core
31 curriculum, core content standards, and assessments.
32 The charter school or innovation zone school shall
33 issue high school diplomas to students who successfully
34 meet the graduation requirements of the charter school
35 or innovation zone school.

36 6. Notwithstanding subsection 2, a charter school
37 or innovation zone school shall meet the requirements
38 of section 256.7, subsection 21.

39 8. A charter school or innovation zone consortium
40 may shall enter into contracts in accordance with
41 chapter 26.

42 Sec. ____. Section 256F.4, subsections 3 and 4,
43 Code 2013, are amended by striking the subsections and
44 inserting in lieu thereof the following:

45 3. The primary focus of a charter or innovation
46 zone school shall be to provide a comprehensive program
47 of instruction for at least one grade or age group from
48 five through twenty-one years of age.

49 4. A charter or innovation zone school is a
50 municipality for the purposes of tort liability under

1 chapter 670.

2 Sec. _____. Section 256F.5, Code 2013, is amended by
3 striking the section and inserting in lieu thereof the
4 following:

5 **256F.5 Application.**

6 1. An application to operate a charter or
7 innovation zone school pursuant to this chapter shall
8 include but not be limited to the following:

9 a. A business plan that documents the proposed
10 charter or innovation zone school's mission statement;
11 school purposes; program design; description of a
12 graduation plan, where applicable; financial plan;
13 governance and management structure; and background
14 and experience of the applicants and the initial board
15 and instructional staff, plus any other information
16 the authorizer requests. An applicant shall file a
17 separate application for each school the applicant
18 intends to operate.

19 b. A statement of assurances of legal compliance
20 prescribed by the state board.

21 c. The applicant's ability to implement the
22 procedures and satisfy the criteria for operating a
23 school under this chapter.

24 d. The measures that will be implemented to
25 provide for oversight of the charter or innovation
26 zone school's academic, financial, and operational
27 performance, and to ensure compliance with the terms
28 of any written contract entered into by the charter or
29 innovation zone school board of directors and the state
30 board.

31 e. A statement of support or nonsupport from the
32 board of directors of the school district, in which the
33 charter or innovation zone school would be located.
34 The statement shall be submitted to the applicant in a
35 timely manner by the school district board.

36 f. A statement demonstrating community support.

37 g. A statement of admission policies and
38 procedures.

39 h. The types and amounts of insurance liability
40 coverage to be obtained by the charter or innovation
41 zone school.

42 i. How special instruction, programs, and services
43 for children requiring special education and English
44 language learners under chapter 256B and section
45 280.4 will be made available and a description of
46 the financial parameters within which the special
47 instruction, programs, and services will be made
48 available.

49 2. If the applicant includes a school district
50 pursuant to section 256F.2, subsection 1, paragraph

1 "a", "b", "d", "f", "h", "i", or "j", that will, under
2 the plan submitted, convert an existing attendance
3 center operated by the school district into a charter
4 or innovation zone school in accordance with this
5 chapter, the application shall demonstrate the support
6 of at least fifty percent of the teachers employed
7 at the school on the date of the submission of the
8 application and fifty percent of the parents or
9 guardians voting whose children are enrolled at the
10 school, provided that a majority of the parents or
11 guardians eligible to vote participate in the ballot
12 process, according to procedures established by rules
13 of the state board. Conversion of an existing school
14 to a charter or innovation zone school if approved
15 pursuant to this chapter shall occur at the beginning
16 of an academic year.

17 3. a. The authorizer shall approve or disapprove
18 an application within ninety business days of receipt
19 of the application. However, the state board of
20 regents or a local community college board of directors
21 is ineligible to approve an application submitted by a
22 consortium that includes the state board of regents or
23 the local community college board of directors.

24 b. If the application is denied, the authorizer
25 shall notify the applicant of the specific deficiencies
26 in writing and the applicant shall have twenty business
27 days to address the deficiencies to the authorizer's
28 satisfaction.

29 (1) If the applicant addresses the deficiencies
30 within the time specified, the authorizer shall at its
31 next regularly scheduled meeting make a final decision
32 to approve or disapprove the application.

33 (2) If the applicant fails to address the
34 deficiencies in the time specified, the authorizer
35 shall notify the applicant that the application is
36 denied and the decision of the state board or the state
37 board of regents is final agency action under chapter
38 17A. If a local community college board of directors
39 disapproves the application under this subparagraph
40 (2), the decision may be appealed to the state board or
41 the state board of regents.

42 c. An applicant whose application is denied
43 pursuant to the process specified in this subsection
44 shall not submit another application until the
45 expiration of at least one calendar year after
46 notification of the disapproval of the application.

47 4. The authorizer shall establish criteria for
48 application approval that at a minimum consider the
49 following:

50 a. A comprehensive review of the application.

- 1 *b.* The available capacity and infrastructure
2 identified in the plan.
- 3 *c.* Contracting process specified in the plan.
- 4 *d.* Ongoing oversight and evaluation processes
5 relating to administration and staffing.
- 6 *e.* Charter or innovation zone school contract and
7 contract renewal criteria and processes.
- 8 5. Approval of an application and renewal of a
9 charter by an authorizer shall not be conditioned upon
10 the bargaining unit status of the employees of the
11 school.

12 Sec. _____. Section 256F.6, Code 2013, is amended by
13 striking the section and inserting in lieu thereof the
14 following:

15 **256F.6 Formation of school — board.**

16 1. An operator who successfully completes the
17 orientation program required pursuant to section
18 256F.3A, subsection 1, before entering into a contract
19 or other agreement for professional or other services,
20 goods, or facilities, shall incorporate as a nonprofit
21 corporation under chapter 504 and shall establish an
22 initial board of directors composed of at least five
23 voting members, who are not related parties, until a
24 timely election for members of the ongoing charter
25 or innovation zone school board of directors is held
26 according to the school's articles and bylaws.

27 2. Members of the charter or innovation zone school
28 board of directors established under the school's
29 articles and bylaws shall be elected before the school
30 completes its third year of operation. The articles
31 and bylaws shall require that the board be composed of
32 not less than five voting members. The articles and
33 bylaws shall include clear policies regarding conflicts
34 of interest, standards of responsibility, and obedience
35 to law, fairness, and honesty.

36 3. Staff members employed at the school and all
37 parents or guardians of children enrolled in the school
38 are the voters eligible to elect the members of the
39 school's board of directors.

40 4. A charter or innovation zone school shall
41 notify eligible voters of the school board election
42 dates at least thirty days before the election. Board
43 elections shall be held during the school year but may
44 not be conducted on days when the school is closed for
45 holidays or vacations.

46 5. *a.* Any charter or innovation zone school board
47 of directors shall be composed of the following:

48 (1) Notwithstanding section 279.7A, at least one
49 licensed teacher employed at the school.

50 (2) At least one parent or legal guardian of a

1 student enrolled in the school who is not an employee
2 of the school.

3 (3) At least one interested community member who is
4 not employed by the school and does not have a child
5 enrolled in the school.

6 *b.* The majority of members on the board may be
7 teachers, notwithstanding section 279.7A.

8 *c.* The chief financial officer and the chief
9 administrator of the charter or innovation zone school,
10 if elected, shall only serve as ex officio, nonvoting
11 board members.

12 *d.* Charter or innovation zone school employees
13 shall not serve on the board except as provided in this
14 subsection.

15 *e.* Except as provided in section 279.7A,
16 contractors providing facilities, goods, or services
17 to a charter or innovation zone school shall not serve
18 on the board.

19 *f.* Board articles and bylaws shall outline the
20 process and procedures for changing the board's
21 governance model, consistent with chapter 504.

22 6. A charter or innovation zone school board
23 may change the governance model set forth in the
24 application or in the articles and bylaws of the
25 charter or innovation zone school only if the change
26 conforms with this section and a majority of the board
27 approves the change; the licensed teachers employed
28 by the school approve the change; and the authorizer
29 approves the change.

30 7. *a.* The authorizer may permit a charter or
31 innovation zone school board to expand the operation
32 of the charter or innovation zone school to additional
33 sites or to add grades at the school beyond those
34 described in the operator's approved application only
35 after submitting a supplemental affidavit for approval
36 to the authorizer in a form and manner prescribed by
37 the authorizer. The supplemental affidavit shall
38 include the following:

39 (1) A proposed expansion plan that demonstrates
40 need and projected enrollment.

41 (2) Documentation that the expansion is warranted,
42 at a minimum, by longitudinal data demonstrating
43 students' improved academic performance and growth on
44 student assessments.

45 (3) Documentation that the school is financially
46 sound and the financing the school needs to implement
47 the proposed expansion exists.

48 (4) Documentation that the school has the
49 governance structure and management capacity to carry
50 out the expansion.

1 **b.** The authorizer shall have sixty business days to
2 review and comment on the supplemental affidavit. The
3 authorizer shall notify the charter or innovation zone
4 school board of any deficiencies in the supplemental
5 affidavit and the charter or innovation zone school
6 board shall have twenty business days to address, to
7 the authorizer's satisfaction, any deficiencies in the
8 supplemental affidavit. The school shall not expand
9 to additional sites or add grades until the authorizer
10 approves the supplemental affidavit. The authorizer's
11 approval or disapproval of a supplemental affidavit is
12 final agency action.

13 **8.** The charter or innovation zone school board
14 of directors is a government or governmental body for
15 purposes of chapters 21 and 22.

16 **9.** Except as provided in subsection 5, members of
17 the charter or innovation zone school board are subject
18 to section 279.7A.

19 **Sec. ____.** Section 256F.8, Code 2013, is amended by
20 striking the section and inserting in lieu thereof the
21 following:

22 **256F.8 Audit report.**

23 **1.** The charter or innovation zone school shall
24 annually submit an audit report to the authorizer by
25 December 31.

26 **2.** The charter or innovation zone school, with
27 the assistance of the auditor conducting the audit,
28 shall include with the report a copy of all charter
29 or innovation zone school agreements for corporate
30 management services. If the entity that provides the
31 professional services to the charter or innovation zone
32 school is exempt from taxation under section 501 of
33 the Internal Revenue Code of 1986, that entity must
34 file with the state board by February 15 a copy of
35 the annual return required under section 6033 of the
36 Internal Revenue Code of 1986.

37 **3.** If the audit report finds that a material
38 weakness exists in the financial reporting systems of
39 a charter or innovation zone school, the charter or
40 innovation zone school shall submit a written report to
41 the authorizer at its first annual meeting explaining
42 how the material weakness will be resolved. An auditor
43 conducting the audit of the charter or innovation
44 zone school, as a condition of providing financial
45 services to a charter or innovation zone school, shall
46 agree to make available information about a charter
47 or innovation zone school's financial audit to the
48 authorizer upon request.

49 **Sec. ____.** Section 256F.9, Code 2013, is amended by
50 striking the section and inserting in lieu thereof the

1 following:

2 **256F.9 Admission requirements.**

3 1. A charter or innovation zone school may limit
4 admission to the following:

5 a. Students within an age group or grade level.

6 b. Students who are either at risk of dropping out
7 or have dropped out of school.

8 c. Residents of a specific geographic area in which
9 the school is located when the majority of students
10 served by the school are eligible for free and reduced
11 price meals under the federal National School Lunch Act
12 and the federal Child Nutrition Act of 1966, 42 U.S.C.
13 § 1751-1785.

14 2. A charter or innovation zone school shall enroll
15 an eligible student who submits a timely application,
16 unless the number of applications exceeds the capacity
17 of a program, class, grade level, or building. In such
18 case, students shall be accepted by lot. The charter
19 or innovation zone school shall develop and publish
20 a lottery policy and process for use when accepting
21 students by lot.

22 3. A charter or innovation zone school shall give
23 enrollment preference to a sibling of an enrolled
24 student and to a foster child of that student's parents
25 and may give preference for enrolling children of the
26 school's staff before accepting other students by lot.

27 4. A charter or innovation zone school shall
28 not limit admission to students on the basis of
29 intellectual ability, measures of achievement or
30 aptitude, or athletic ability and shall not establish
31 any criteria or requirements for admission that are
32 inconsistent with this section.

33 5. The charter or innovation zone school shall
34 not distribute any services or goods of value to
35 students, parents, or guardians as an inducement, term,
36 or condition of enrolling a student in a charter or
37 innovation zone school.

38 Sec. _____. Section 256F.10, Code 2013, is amended by
39 striking the section and inserting in lieu thereof the
40 following:

41 **256F.10 Employment and other operating matters.**

42 A charter or innovation zone school shall employ or
43 contract with necessary teachers and administrators,
44 as defined by chapter 256, who hold valid licenses and
45 endorsements to perform the particular service for
46 which they are employed in the school. The school may
47 employ necessary employees who are not required to hold
48 teaching licenses to perform duties other than teaching
49 and may contract for other services.

50 Sec. _____. NEW SECTION. **256F.11 Leased space.**

1 If space to be leased is constructed as a school
2 facility, a charter or innovation zone school may
3 lease such space from a school district or other
4 public organization; private, nonprofit nonsectarian
5 organization; private property owner; or a sectarian
6 organization.

7 Sec. ____ . NEW SECTION. 256F.12 **Affiliated**
8 **nonprofit building corporation.**

9 1. A charter or innovation zone school may organize
10 an affiliated nonprofit building corporation to
11 renovate or purchase an existing facility to serve
12 as a school or to construct a new school facility as
13 provided in subsection 4 or 5.

14 2. An affiliated nonprofit building corporation
15 shall meet all of the following conditions:

16 a. Be incorporated under chapter 504 and comply
17 with applicable internal revenue service regulations.

18 b. Submit annually to the authorizer a list of
19 current board members and a copy of the corporation's
20 annual audit.

21 3. An affiliated nonprofit building corporation
22 shall not serve as the leasing agent for property or
23 facilities it does not own. The state is immune from
24 liability resulting from a contract between a charter
25 or innovation zone school and an affiliated nonprofit
26 building corporation.

27 4. A charter or innovation zone school may organize
28 an affiliated nonprofit building corporation to
29 renovate or purchase an existing facility to serve as a
30 school if the charter or innovation zone school meets
31 the following criteria:

32 a. Has been operating for at least five consecutive
33 school years.

34 b. Has had a net positive unreserved general fund
35 balance as of June 30 in the preceding five fiscal
36 years.

37 c. Has a long-range strategic and financial plan.

38 d. Completes a feasibility study of available
39 buildings.

40 e. Documents enrollment projections and the need
41 to use an affiliated nonprofit building corporation to
42 renovate or purchase an existing facility to serve as
43 a school.

44 5. A charter or innovation zone school may organize
45 an affiliated nonprofit building corporation to
46 construct a new school facility if the charter school
47 meets the following conditions:

48 a. Lacks facilities available to serve as a school.

49 b. Has been operating for at least eight
50 consecutive school years.

1 c. Has had a net positive unreserved general fund
2 balance as of June 30 in the preceding eight fiscal
3 years.

4 d. Completes a feasibility study of facility
5 options.

6 e. Has a long-range strategic and financial plan
7 that includes enrollment projections and demonstrates
8 the need for constructing a new school facility.

9 Sec. _____. NEW SECTION. **256F.13 Collective**
10 **bargaining.**

11 Employees of the board of directors of a charter
12 or innovation zone school may, if otherwise eligible,
13 organize under chapter 20 and comply with its
14 provisions. The board of directors of a charter
15 or innovation zone school is a public employer, for
16 the purposes of chapter 20, upon formation of one
17 or more bargaining units at the school. Bargaining
18 units at the school shall be separate from any other
19 units within the school district in which the charter
20 or innovation zone school is located, except that
21 bargaining units may remain part of the appropriate
22 bargaining unit of the school district within which the
23 charter or innovation zone school is located if the
24 employees of the charter or innovation zone school, the
25 board of directors of the charter or innovation zone
26 school, the exclusive representative of the appropriate
27 bargaining unit in the school district, and the board
28 of the school district agree to include the employees
29 in the appropriate bargaining unit of the school
30 district.

31 Sec. _____. NEW SECTION. **256F.14 Teacher retirement.**

32 Teachers in a charter or innovation zone school are
33 public school teachers for the purposes of chapter 97B.

34 Sec. _____. NEW SECTION. **256F.15 Causes for**
35 **nonrenewal or termination of charter or innovation zone**
36 **school contract.**

37 1. The authorizer may decline to renew a contract
38 entered into with the board of directors of a charter
39 or innovation zone school at the end of the contract
40 term for any ground listed in subsection 3. The
41 authorizer may unilaterally terminate a contract during
42 the term of the contract for any ground listed in
43 subsection 3.

44 2. At least sixty business days before not renewing
45 or terminating a contract, the authorizer shall notify
46 the board of directors of the charter or innovation
47 zone school of the proposed action in writing. The
48 notice shall state the grounds for the proposed action
49 in reasonable detail and that the charter or innovation
50 zone school's board of directors may request in writing

1 a hearing before the authorizer within fifteen business
2 days of receiving notice of nonrenewal or termination
3 of the contract. Failure by the board of directors
4 to make a written request for a hearing within the
5 time specified shall be treated as acquiescence to
6 the proposed action. Upon receiving a timely written
7 request for a hearing, the authorizer shall give ten
8 business days' notice to the charter or innovation
9 zone school's board of directors of the hearing date.
10 The authorizer shall conduct the hearing before taking
11 final action. The authorizer shall take final action
12 to renew or not renew a contract no later than twenty
13 business days before the proposed date for terminating
14 the contract or the end date of the contract.

15 3. A charter or innovation zone school contract
16 entered into with the authorizer may be terminated or
17 not renewed by the authorizer upon any of the following
18 grounds:

19 a. Failure to meet the requirements for student
20 performance contained in the contract.

21 b. Failure to meet generally accepted standards of
22 fiscal management.

23 c. Violations of law.

24 d. Other good cause shown, including but not
25 limited to the existence of one or more other grounds
26 for revocation as specified in the contract.

27 4. If a contract is terminated or not renewed on
28 grounds specified in subsection 3, the school shall be
29 dissolved according to rules adopted by the authorizer,
30 and the assets of the charter or innovation zone
31 school shall be disposed of according to the applicable
32 provisions of chapter 504.

33 5. The authorizer, after providing reasonable
34 notice to the board of directors of a charter or
35 innovation zone school, and after providing an
36 opportunity for a public hearing, may terminate the
37 existing contract with the charter or innovation zone
38 school board if the charter or innovation zone school
39 has a history of the following:

40 a. Failure to meet student performance requirements
41 consistent with state law.

42 b. Financial mismanagement or gross failure to meet
43 generally accepted standards of fiscal management.

44 c. Violations of the law.

45 **Sec. ____.** **NEW SECTION. 256F.16 Student enrollment**
46 **upon nonrenewal or termination of charter or innovation**
47 **zone school contract.**

48 If a contract is not renewed or is terminated
49 according to section 256F.15, a student who attended
50 the charter or innovation zone school may enroll in the

1 district of residence or may submit an application to
2 a nonresident district according to section 282.18 at
3 any time, and shall be determined to have shown "good
4 cause" for purposes of section 282.18. Applications
5 and notices required by section 282.18 shall be
6 processed and provided in a prompt manner. The
7 application and notice deadlines in section 282.18 do
8 not apply under these circumstances. The charter or
9 innovation zone school shall transfer the student's
10 educational records within ten business days of the
11 charter or innovation zone school's closure to the
12 student's school district of enrollment.

13 Sec. _____. **NEW SECTION. 256F.17 Extent of specific**
14 **legal authority.**

15 1. A charter or innovation zone school board may
16 sue and be sued.

17 2. A charter or innovation zone school board shall
18 not levy taxes or issue bonds.

19 3. A charter or innovation zone school is a
20 municipality for purposes of chapter 670.

21 Sec. _____. **NEW SECTION. 256F.18 Funding.**

22 A student enrolled in a charter or innovation zone
23 school shall be counted, for state school foundation
24 aid purposes, in the student's district of residence.
25 A student's residence, for purposes of this section,
26 means a residence under section 282.1. The board of
27 directors of the district of residence shall pay to the
28 charter or innovation zone school the district cost per
29 pupil, the teacher salary supplement district cost per
30 pupil, the professional development supplement district
31 cost per pupil, and the early intervention supplement
32 district cost per pupil under section 257.10, plus any
33 moneys received for the student as a result of the
34 non-English speaking weighting under section 280.4,
35 subsection 3, for the previous school year multiplied
36 by the district cost per pupil for the previous year.
37 In addition, the board of directors of the district of
38 residence shall pay to the charter or innovation zone
39 school any other per pupil moneys requested under the
40 charter or innovation zone school application approved
41 by the authorizer.

42 Sec. _____. **NEW SECTION. 256F.19 Prior charter or**
43 **innovation zone schools and innovation zones.**

44 1. A charter or innovation zone school established
45 prior to July 1, 2013, shall continue to be governed by
46 chapter 256F, Code 2013, until the term of the contract
47 entered into pursuant to section 256F.8, Code 2013,
48 ends.

49 2. This section is repealed July 1, 2019.

50 Sec. _____. Section 282.18, subsection 4, paragraph

1 b, Code 2013, is amended to read as follows:
2 *b.* For purposes of this section, "*good cause*" means
3 a change in a child's residence due to a change in
4 family residence, a change in the state in which the
5 family residence is located, a change in a child's
6 parents' marital status, a guardianship or custody
7 proceeding, placement in foster care, adoption,
8 participation in a foreign exchange program, or
9 participation in a substance abuse or mental health
10 treatment program, a change in the status of a child's
11 resident district such as removal of accreditation
12 by the state board, surrender of accreditation, or
13 permanent closure of a nonpublic school, ~~revocation~~
14 nonrenewal or termination of a charter or innovation
15 zone school contract as provided in section 256F.8
16 256F.15, the failure of negotiations for a whole grade
17 sharing, reorganization, dissolution agreement or the
18 rejection of a current whole grade sharing agreement,
19 or reorganization plan. If the good cause relates to
20 a change in status of a child's school district of
21 residence, however, action by a parent or guardian must
22 be taken to file the notification within forty-five
23 days of the last board action or within thirty days
24 of the certification of the election, whichever is
25 applicable to the circumstances.
26 Sec. _____. Section 670.1, subsection 2, Code 2013,
27 is amended to read as follows:
28 2. "*Municipality*" means city, county, township,
29 school district, charter or innovation zone school,
30 and any other unit of local government except soil and
31 water conservation districts as defined in section
32 161A.3, subsection 6.
33 Sec. _____. REPEAL. Section 256F.7, Code 2013, is
34 repealed.>
35 2. By renumbering as necessary.

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